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1. British attitude on Korean problem -- US Embassy London has been informed by the UK Foreign Office that the British can not accept the government of South Korea as the national government, but will oppose any Soviet attempts to put the North Korean government before the General Assembly as the national government. The UK would support the admission of South Korea into the UN but would oppose admission of the government of North Korea which it regards as not a "true government in any sense."

SUROPE

2. GERMANY: Disturbances expected over Soviet riot sentences—
US Political Adviser Murphy in Berlin expects further violent 2
protests from Berlin non-Communists as a consequence of the severe Soviet sentences meted to alleged participants in recent anti-Soviet rioting. Murphy reports that at a 14 September meging of non-Communist German leaders, great indignation was expressed following the presentation of a sworn statement that indicated the innocence of one of the men condemned and cast doubt on the guilt of the others.

(CIA Comment: CIA agrees with Ambassador Murphy's estimate of the consequences of the sentences.)

3. ITALY: Premier affirms western orientation—Prime Minister De Gasperi has assured US Ambassador Dunn that because the Italian people indicated in the national elections that their ideology and objectives are the same as those of the western powers, there need be no question of Italian neutrality under present circumsiances. De Gasperi added, however, that some educational work would be necessary to show the Italian people the need of aligning their future with that of the West. De Gasperi believes that Italy could best be integrated with the western powers through the Paris Organization for European Economic Cooperation (OEEC)

DIA & DOS review(s) completed.

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and suggested that consideration be given to developing that organization from a purely economic to a political and defersive group.

CIA Comment: Despite the anti-Soviet attitude expressed in the national elections, a majority of Italians are strongly attached to neutrality, as indicated by De Gasperi's admission that Italy needs a pro-western educational campaign. Because Italians are interested primarily in the economic advantages of western cooperation, an expanded OEEC would attract them more than a purely political and military alignment.)

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4. BULGARIA: Possible preparations for war--The US Military Attache in Sofia concludes that all evidence in Bulgaria points to a systematic military, economic, and psychological preparation for the possibility of war in the near but not necessarily the immediate future. The MA indicates that the Bulgarian army will be in a position to effect a rapid mobilization after early October.

(CIA Comment: Even though the Bulgarian Government is strengthening its military and economic potential, CIA considers these measures to be part of a long-range program and seriously doubts that Bulgaria--or any of the Satellites--is preparing for war in the near future.)

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5. YUGOSLAVIA: Modified US policy toward Tito recommended—
US Embassy Belgrade believes that Tito's present firm position requires a more active US policy toward Yugoslavia. The limbassy has concluded that: (a) Tito is now in full control, and will continue in power for six more months at least; (b) the USSR will probably not take overt action against Tito this year; and (c) a Soviet-Satellite economic boycott would probably not seriously weaken Yugoslavia. The Embassy believes that the US should now discard a policy of watchful waiting and adopt a more affirmative attitude, especially along economic lines.

(CIA Comment: CIA concurs with Charge Reams' analysis.)

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6. CZECHOSLOVAKIA: Moscow summons may indicate purges—US Ambassador Steinhardt observes that the hasty departure of President Gottwald for Moscow has produced "extreme nervousness" among the highest Czechoslovak Communist officials. Steinhardt reports that these officials apparently fear an imminent purge of Communist leadership or possible instructions from Moscow to prepare for the incorporation of Czechoslovakia into the Soviet Union. Although he does not anticipate outward signs of unrest in the immediate future, Steinhardt thinks that the situation requires careful watching because of the steadily increasing tensions within the Communist Party and signs of unrest among the people.

(CIA Comment: Gottwald's visit to Moscow will probably be followed by far-reaching purges in the Communist Party and the Czechoslovak Government. However, CIA considers it improbable that the Kremlin contemplates an incorporation of Czechoslovakia into the USSR at this time.)